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(UT-023)
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AUG 20 1997

CERTIFIED MAIL Z 286 254 452
RETURN RECEIPT REQUESTED

Mr. William D. Moeller
Clifton Mining Company
70 West Canyon Crest Road, Suite D
Alpine, UT 84004

Dear Mr. Moeller:

On January 30, 1997, we requested that you provide additional information to this office in support of your Plan of Operations for milling at your Cactus Millsite in T. 7 S., R. 18 W., Section 35. On May 7, 1997, we received a portion of the requested information, including a report from Barringer Laboratories which contained the results from static testing of the potential for acid rock drainage (ARD) for 10 samples lumped together from tailings from an unspecified location. The ARD information is important for our review, and for the preparation of an Environmental Assessment, however you failed to provide a map showing the precise location the sample was taken from. Please provide a map showing the sample area(s).

In our letter of January 30, we also requested additional information that you have failed to provide to date. To reiterate our request, before we can complete the EA, please provide this office with the following data:

1. Preliminary waste characterization (description of the waste) and mitigation information of the mill site area in order to evaluate the proposed operation and reclamation plan.

Preliminary waste characterization involves the evaluation of waste rock units at the mill site. You must provide this office with information regarding the general geologic relationships, waste rock lithology, mineralogy and alteration, sulfide morphology and distribution, distribution of rock units with the potential to neutralize acid production (i.e. carbonate rocks), baseline hydrology, and physical waste rock and material properties of the rocks.

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2. Because you have not provided the information we requested regarding preliminary waste characterization, we have no data regarding the ARD-producing potential of the specific components of the waste rock. In other words, we have no information regarding the ARD-generating potential of the individual rock types within the tailings. Materials identified as potentially acid-forming, and not neutralized, will require the development of control, treatment, monitoring, and reclamation measures to mitigate the impacts of acid-rock drainage so as to prevent unnecessary or undue degradation of public lands. This characterization must be based on the physical and geochemical properties of the mine material and the site-specific environmental conditions.

If ARD is predicted from the sampling, ARD prediction must be fully integrated with operational procedures, facility design, and environmental monitoring programs throughout the project life.

3. If the initial waste characterization confirms the potential for ARD, the operator must provide mitigation measures to prevent or control ARD. If the BLM does not agree that the mitigation measures will prevent or control ARD, the authorized officer will request a modification of the Plan of Operations to include appropriate measures.
4. Proposed reclamation measures must assure successful final reclamation and be adequate to prevent unnecessary or undue degradation that may result from ARD.
5. To reiterate our request for information in our letter of January 30, we have concerns regarding the potential volumes of material that may be produced in the future by your milling activities. Your Plan of Operations states that you intend to process 500 tons of material per day. Presuming a 300 day per year operation, this would generate in excess of 150,000 tons of tailings per year. Assuming a tonnage factor of about 2.25 tons per cubic yard, you are proposing to create more than 66,667 cubic yards of waste per year. If your tailings impoundment was 12 feet high, this would require an area of at least 3.44 acres per year for tailings. Your Plan of Operations covers an area 8.2 acres in size.

Please provide this office with an accurate map showing how and where you intend to store this volume of tailings during the life of your proposed operation, and the total number of acres you plan to utilize during this period for the storage of tailings. If your plan should include the disposal of tailings into the adjacent drainage, you must submit a mitigation plan which will address how you will allow water to flow unrestricted through the drainage during periods of heavy rain and flooding. This will ensure that the tailings impoundment is not disturbed or washed onto other portions of public land beyond the project area during years prone to flooding.

6. On March 31, 1997, a final rule published in the Federal Register became effective amending the Bureau of Land Management's (BLM) surface management regulations at 43 CFR 3809. This rule requires submission of financial guarantees for reclamation of all hardrock mining operations greater than casual use. For all operators, the final rule also requires the following:

The bond amount must be no less than 100 percent of the estimated costs to reclaim the land disturbed. The bond is required to be for an amount the greater of 100 percent of the cost to reclaim the disturbed area, or \$2,000.00 per acre for Plans of Operation.

All bonds submitted directly to, or certified to the BLM, must be accompanied by a third-party Professional Engineer's (PE) certification of the reclamation costs. Where an operator has satisfied the bonding requirements by evidence of a sufficient bond held or approved by the State of Utah, no PE's certification is required.

Please provide the requested information within 30 days of receipt of this letter, or we will consider your Plan of Operations to be withdrawn, and will expect the site to be reclaimed to the standards described at 43 CFR 3809.

If you have any questions, or require additional information, please feel free to contact Michael Ford of my staff at (801) 977-4360.

Sincerely,

/s/ Margaret Wyatt

Area Manager

cc: D. Wayne Hedberg, UDOGM